



The Compact Disc is seen as a savior of depressed record industry.

AUDIO BIZ BUZZING OVER CD

By RANDY LEWIS

Put those 12-inch, long-playing albums back on the shelf and get ready for the Compact Disc.

The new sound-reproduction system, which will be available to consumers within the next few weeks, has created a buzz in the audio industry because the Compact Disc promises the end of background noise, warpage, scratches and distortion and offers increased frequency response and dynamic range. Barring severe mishandling, say its proponents, it will never wear out.

While audio manufacturers see the Compact Disc as the first significant technological advance since the advent of stereo in the 1950s, major record companies see it as the possible savior of their depressed industry.

But, for consumers, there are a couple of catches. The new discs, which will be available in limited numbers later this month, will cost \$15 to \$20—about twice as much as conventional albums. You'll also have to shell out \$750 to \$1,000 for a Compact Disc player.

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The Compact Disc (CD) was developed jointly by Philips and Sony and operates on the same principle as laser videodiscs. Information encoded in microscopic "pits" in the disc's surface is read by a laser and translated into an audio signal. The Compact Disc's one playable side will have a playing time of up to one hour.

The disc is 4.7 inches in diameter—about the size of an album's label—and is made of thin plastic coated with aluminum. (Although digital recordings have been available for several years, they have been pressed on conventional vinyl records. The digital audio disc makes digital playback in home systems possible for the first time.)

At the Winter Consumer Elec-

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tronics Show in Las Vegas in January, audio equipment manufacturers including Sanyo, Pioneer, Hitachi, Philips, Akai, Fisher, Mitsubishi, Sharp and Sony demonstrated ready-to-market digital audio-disc players.

In all, nearly 50 equipment manufacturers have been granted licenses to produce Compact Disc players. And, with major commitments for CD software from the world's three largest record companies (CBS Records, Warner Communications and PolyGram), hundreds of titles in all music categories should be available in less than a year.

Initially at least, most hardware manufacturers will be aiming CD players at the audiophile market, so most CD players will be found only in selected "high end" audio stores. Magnavox, however, is introducing its three CD units later this month in department stores such as Bullock's, Broadway and Robinson's, hoping that the system's simplicity and ease of operation will attract the average consumer.

Although the cost of the players will be relatively high to begin with, Robert Heiblim, Compact Disc coordinator for Denon America Inc., predicted that in six or seven years they will drop to about \$250. As with conventional turntables, CD players will not offer recording capability.

"Stripped down" players that do little more than play the discs will probably be introduced in the near future, selling for \$500 to \$600. Full-featured, programmable models that utilize the CD's "indexability" (by which any selection can be accessed instantly and stored in a computer memory for future reference) will be the most expensive.

While there were prototypes of three competing digital audio-playback systems on view at last year's Winter Consumer Electronics Show, the audio industry has since settled on the Philips-Sony Compact Disc system as the standard to be used by all hardware and software manufacturers.

"The system is real, it works, and the consumer won't

have to worry that in six months something will come along to make it obsolete," said Emiel Petrone, PolyGram Records' vice president of marketing and Compact Disc coordinator in the United States.

In addition, car players and portable units (*a la* Sony's Walkman cassette player) will be developed employing the Compact Disc within the next few years.

By agreeing on the Sony-Philips disc system early on, manufacturers of both hardware and software hope to avoid the consumer confusion that led to the downfall of quadraphonic stereo in the mid-1970s.

"With quad, there was no industry standard, it was launched prematurely and consumers were confused, annoyed and aggravated as they are now with video," said Wolfgang Munczinski, PolyGram International's worldwide head of public relations for the Compact Disc.

"With the Compact Disc, there is no other competing system," Munczinski said. "The industry has already fought the (standardization) battle among themselves, instead of making the consumer do it."

While few hardware or software manufacturers question the merits of the Compact Disc system itself, many U.S. record companies have adopted a wait-and-see attitude about their own involvement with CD, preferring to let CBS, Warners and PolyGram deal with the initial marketing and production problems of the new technology.

"The possibilities look good, but I think (CD) is premature in the marketplace," said Paul Gisc of International Automated Media Condor Records, an Irvine-based record mastering and manufacturing facility. "I think it is more a product of the '90s than the '80s. It represents a major capital investment that most

companies are not willing to make right now."

As the system makes its way into the U.S. market (it was introduced in Japan in October and debuted in Europe last month), PolyGram Records hopes to avoid quad's other major stumbling block—the lack of recordings designed for the medium—by having nearly 200 titles available in Compact Disc form before the end of this year. PolyGram will continue to add 30 titles per month until its entire catalogue is available in CD format.

Consumers are not, however, expected to abandon their collections of conventional records.

"It will be a long time before the Compact Disc completely replaces conventional records," said Marc Finer, Sony Corp.'s production communications manager. "They will be sold together for many, many years."

"This is a marriage that is long overdue," PolyGram's Petrone added. "It represents a commitment by both industries to provide the consumer with the ultimate in sound reproduction."